

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 410 - HB 521

February 16, 2017

SUMMARY OF BILL: Requires all public K-12 schools to purchase and maintain one automated external defibrillator (AED). Encourages private schools as defined in Tenn. Code Annotated § 49-6-3001 to place AEDs in schools as required by public schools in Tenn. Code Annotated § 49-2-122. Requires private schools with AEDs to comply with standards as required for public schools for maintenance, testing and training.

ESTIMATED FISCAL IMPACT:

Increase Local Expenditures –\$268,400/FY17-18*
\$26,600/FY19-20 and Subsequent Years*

Assumptions:

- Tennessee is a member of the Minnesota Multi-State Contracting Alliance for Pharmacy (MMCAP). By joining the MMCAP, LEAs will be able to purchase AEDs at a discounted rate utilizing the state's contract.
- Based on information from the Department of Health (DOH), there is no cost for local governments to join the MMCAP; therefore, it is assumed that all LEAs who are not currently MMCAP members will join and purchase AEDs at the state contract rate of \$1,491 per AED.
- Based on information from the Department of Education (DOE), 180 public schools will be required to purchase an AED.
- The mandatory one-time increase in local expenditures in FY17-18 for LEAs to purchase AEDs is estimated to be \$268,380 (180 schools x \$1,491 per AED).
- AEDs have consumable parts such as batteries and pads that need be replaced periodically.
- Adult defibrillator pads cost approximately \$82; pediatric pads cost approximately \$113; and batteries cost approximately \$200.
- Defibrillator pads are assumed to be replaced on a two-year cycle. As a result, the cost for replacing defibrillator pads is estimated to be \$35,100 [180 x (\$82 + \$113)] once every two years; thus an annualized cost of \$17,550 per year (\$35,100 / 2-year period) beginning in FY19-20.
- Defibrillator batteries are assumed to be replaced on a four- year cycle. As a result, the cost for replacing defibrillator batteries is estimated to be \$36,000 (180 x \$200) once

every four years; thus an annualized cost of \$9,000 per year (\$36,000 / 4-year period) beginning in FY19-20.

- The mandatory recurring increase in local expenditures for replacement of consumable AED parts is estimated to be \$26,550 (\$17,550 + \$9,000) each year beginning in FY19-20.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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